Adam M. Cohen, Esq. (AMC-9918) Gillian Overland, Esq. (GO-7300) KANE KESSLER, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Attorneys for Defendant/Counterclaim Plaintiff Lipsy, Ltd. and Defendants LF Stores, Corp. and LF Stores New York, Inc.

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

A.I.J.J. ENTERPRISES, INC.,

07 CV 10511 (SAS)

Plaintiff,

DEFENDANTS'

DISCLOSURES

RULE 26 (a)(1) INITIAL

- against -

LF STORES, CORP., LF STORES NEW YORK, INC. and LIPSY LTD.,

Defendants.

Defendants LF Stores, Corp., LF Stores New York, Inc. (collectively referred to as "LF Stores") and Lipsy, Ltd. ("Lipsy") hereby submit their Rule 26(a)(1) initial disclosures:

(A) The name and, if known, the address and telephone number of each individual likely to have discoverable information relevant to disputed facts alleged with particularity in the pleadings, identifying the subjects of the information:

ANSWER:

(1) Defendant Lipsy identifies the following individuals at this time:

> Jeremy Stakol Lipsy, Ltd. Managing Director c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Marcelle Stakol

Lipsy, Ltd. **Design Director** c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Sally Feigin

Lipsy, Ltd. Sales c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Albert Corin

Lipsy, Ltd. Production/Merchandising c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Kristine Kirby

Lipsy, Ltd. Website Coordinator c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Angela Todd

Lipsy, Ltd. Discount and Wholesale Sales c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Joseph Chehebar

A.I.J.J.

Marty

A.I.J.J.

SUBJECT OF INFORMATION: Defendant Lipsy expects the above-referenced Lipsy individuals to have knowledge concerning Lipsy's wholesale sales, sales to United States customers, priority of trademark rights, internet sales, Lipsy's UK trademark and copyright rights, Lipsy's marketing and sales of the Lipsy products, the origin of the name "Lipsy," Lipsy's priority vis-à-vis the "LIPSY" mark, and Lipsy's good faith. Lipsy expects the above-referenced A.I.J.J. individuals to have knowledge concerning A.I.J.J.'s lack of trademark priority and its discovery of Lipsy's use of the "LIPSY" mark.

> (2) The LF Stores Defendants identify the following individuals at this time:

Phillip Furst LF Stores, Corp. President c/o Kane Kessler, P.C. 1350 Avenue of the Americas New York, New York 10019 (212) 541-6222

Joseph Chehebar A.I.J.J.

Marty A.I.J.J.

SUBJECT OF INFORMATION: The LF Stores Defendants expect the above-referenced LF Stores individuals to have knowledge concerning the LF Stores Defendants' relationship with and purchases of garments from defendant Lipsy, as well as their lack of knowledge of any trademark rights held or asserted by plaintiff. LF Stores expects the above-referenced A.I.J.J. individuals to have knowledge concerning A.I.J.J.'s lack of trademark priority and its discovery of Lipsy's use of the "LIPSY" mark.

(B) A copy of, or description by category and location of, all documents, data compilations, and tangible things in the possession, custody, or control of the party that are relevant to disputed facts alleged with particularity in the pleadings.

ANSWER:

- (1) Lipsy identifies the following categories of documents at this time:
 - correspondence
 - marketing materials
 - financial information
 - trademark and copyright documents
 - purchase orders

- invoices
- bank statements
- payment processor statements
- United States customs documents
- shipping documents
- memoranda and facsimiles
- accounting ledgers and sales analyses
- (2) LF Stores identifies the following categories of documents at this time:
 - purchase orders
 - invoices
 - shipping documents
 - financial information
 - correspondence

Documents are maintained at the business offices of the Defendants and the offices of Kane Kessler.

(C) A computation of any category of damages claimed by the disclosing party, making available for inspection and copying as under Rule 34, the documents or other evidentiary material, not privileged or protected from disclosure, on which such computation is based, including materials bearing on the nature and extent of injuries suffered.

ANSWER:

Defendant Lipsy has not computed its damages at this time. The LF Stores Defendants are not seeking damages at this time. Defendants reserve the right to supplement this response as discovery proceeds.

(D) For inspection and copying as under Rule 34 any insurance agreement under which any persons carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in the action or to indemnify or reimburse for payments made to satisfy the judgment.

ANSWER:

Defendants are not aware of any applicable insurance.

Defendants reserve their right to supplement these disclosures as more information becomes available.

Dated: New York, New York February 19, 2008

KANE KESSLER, P.C.

Adam M. Cohen (AMC-9918)

Gillian Overland (GO-7300) Attorneys for Defendants

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CERTIFICATE OF SERVICE

The undersigned, a member of the Bar of this Court, hereby certifies that a copy of the foregoing **Defendants' Rule 26(a)(1) Initial Disclosures** was served upon the following via regular mail on the 19th day of February, 2008:

George Gottlieb, Esq. Marc Misthal, Esq. Gottlieb, Rackman & Reisman, PC 270 Madison Avenue New York, NY 10016

Gillian Overland (GO-7300)

Dated: February 19, 2008

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